IG3 Infra Limited

April 25, 2017

Rating

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities	461.49 (reduced from 546)	**CARE D [Single D]**	Reaffirmed
Total Facilities	**461.49 (Rupees Four Hundred Sixty One crore and Forty Nine lakh only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of IG3 Infra Limited (IG3) continues to factor in delays in debt servicing by the company on account of its stressed liquidity position.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delay in debt servicing: IG3 has delayed servicing its debt obligations mainly due to the stretched liquidity position of the company.

Weak financial profile: The Company reported a total income of Rs.99.21 cr and net loss of Rs. 42 cr in FY16. The debt protection metrics also witnessed deterioration as reflected in interest coverage ratio at 0.86x in FY16 as against 4.63x in FY15. Furthermore, IG3 had overdue interest obligation on term loan amounting to Rs.31.79 crore which was not provided for as on March 31, 2016.

Exposure to Group Companies: As on March 31, 2016, the company had exposure to group entities amounting to Rs.405.29 crore (Rs.407.20 crore as on March 31, 2015) in the form of investments and loans & advances. The advances are mainly in form of project advances and are invested in land and construction projects. The company also had provided a corporate guarantee and the outstanding under the guarantee was about Rs.45 crore as on March 31, 2016.

Key Rating Strengths

Experienced promoters: The promoters have over two decades of experience in the real estate/construction business. Ms Unnamalai Thiagarajan, founder promoter, is the Managing Director of IG3 and is also the MD of Elnet Technologies Ltd., a joint venture by Ms Thiagarajan and Electronic Corporation of Tamil Nadu Limited (a Tamil Nadu government undertaking) which set up the first IT park in India in 1993. IG3 is managed and controlled by its Board of Directors, under the Chairmanship of Mr C Ramachandran IAS (Retired).

Analytical approach: Standalone

Applicable Criteria

CARE's policy on Default Recognition
CARE's Criteria on assigning Outlook to Credit Ratings
Financial ratios –Non-Financial Sector

About the Company

IG3 (formerly known as Indian Green Grid Group Limited) is a Chennai-based company engaged in the business of developing and maintaining comprehensive infrastructure facilities like IT Parks / IT SEZ. IG3 is currently operating an IT SEZ (C1) in Chennai. IG3 was promoted by Ms Unnamalai Thiagarajan & her Associates along with Elnet Technologies Limited (ETL) in the year 2004. Ms Unnamalai Thiagarajan, is the Managing Director of IG3 and she is also the Managing

[2] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Director of Elnet Technologies Ltd. Elnet is a joint venture by Ms Thiagarajan and Electronic Corporation of Tamil Nadu Limited (a Tamil Nadu government undertaking) which set up the first IT park in India in 1993. C1 has a constructed area of 1.2 million sq ft (msf) and has been operational since November 2006 with full occupancy.
The company reported a net loss of Rs.42.22 crore on a total operating income of Rs.99.21 crore in FY16 as compared with a PAT of Rs.36.39 crore on a total operating income of Rs.97.01 crore in FY15.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June 2028	461.49	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	461.49	CARE D	-	1)CARE D (11-Apr-16)	1)CARE D (27-Apr-15)	-

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